**Current News**

Current news on the latest developments in fertilizer, energy, weather, agriculture, agri-business, logistics, economy, and other related areas

*(The views expressed in the news items are not necessarily of FAI)*

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WEATHER

Low-pressure area drives monsoon to vigorous phase
Heavy rain warned for Mumbai, high winds for Gujarat

The low-pressure area that formed over North Bay of Bengal on Tuesday has driven the monsoon into a vigorous (most active) phase. It has already brought heavy to very heavy rain, interspersed with extremely heavy rain, over parts of East India, thanks to proximity to the system, and over West India due to monsoon flows being attracted by it all the way from the Arabian Sea.

In addition, a cyclonic circulation each was spotted on Tuesday evening moving over South Gujarat and not too far off over South Pakistan accompanied by a western disturbance. This has already created a tinderbox-like situation over the larger West India, covering Gujarat, South-West Rajasthan, West Madhya Pradesh and West Maharashtra (including Konkan and Mumbai).

Monsoon flows strengthen

As a consequence of these meteorological features, the south-westerly monsoon flows have strengthened over the Arabian Sea with wind speeds reaching 50-60 km/hour along and off the Konkan coast at surface. Widespread rainfall with scattered heavy to very heavy falls and isolated extremely heavy falls would continue over Konkan and Goa (including Mumbai) till Thursday and over the Ghats over Madhya Maharashtra till Wednesday, and may reduce thereafter.

An India Meteorological Department (IMD) update located the low-pressure area on Tuesday evening to the North Bay of Bengal off the West Bengal-Bangladesh coasts. It is likely to become more marked (intensified) by Wednesday, and get a move westwards to Central India (covering Chhattisgarh and Madhya Pradesh) during the next two days.

Widespread rainfall with isolated very heavy to extremely heavy falls is likely over Gujarat until Thursday, over Odisha on Tuesday, and over Chhattisgarh and East Madhya Pradesh on Wednesday. Isolated heavy to extremely heavy rainfall is also likely over Tamil Nadu, Kerala and South Interior and Coastal Karnataka during the next 4-5 days, said an IMD outlook.

Drenches Mumbai overnight

The 24 hours ending Tuesday saw very heavy to extremely heavy rain (in cm) over Mumbai (Santa Cruz)-26; Mumbai (Colaba)-25; Mahabaleshwar19; Ratnagiri-16; Matheran and Chandbali-9; Mormugao, Karwar, Honawar and Palakkad-8 each; and Veraval, Dahanu and Mangaluru-6 each. Heavy to very heavy falls were recorded at isolated places over Madhya Maharashtra, Konkan and Goa, while it was heavy at isolated places over Coastal Karnataka and Kerala during this period.

Forecast for Wednesday indicated the following: Heavy to very heavy rainfall with extremely heavy falls at isolated places over Konkan and Goa; heavy to very heavy rainfall with extremely heavy falls at isolated places over Gujarat, Chhattisgarh, East Madhya Pradesh and Madhya Maharashtra; heavy to very heavy rainfall over West Madhya Pradesh, Jharkhand, Odisha, Coastal Karnataka, South Interior Karnataka, Kerala, Tamil Nadu and Puducherry.

Heavy rainfall is forecast over East Uttar Pradesh, Rajasthan, Vidarbha, West Bengal, Sikkim, Assam, Meghalaya, Marathawada and Telangana on Wednesday. Strong winds (reaching 50-60 km/hour) may lash the Maharashtra, Kerala, Karnataka and Lakshadweepcoasts. Squally weather (50-60 km/hour) is likely over the Gujarat coast and wind speeds may reach 40-50 km/hour along the Odisha and West Bengal coasts. Fishermen are advised not to venture into these areas.

Source: The Hindu Business Line, Wednesday, August 5, 2020

Back to Headlines
Maharashtra appoints special counsel to present case against seed companies
Case pertains to alleged poor-quality biotech cotton seed supply in 2017-18 kharif season

The Maharashtra government has appointed special counsels to present its case against global and Indian seed companies over the alleged poor-quality biotech cotton seed supply in the 2017-18 kharif season.

Solicitor-cum-Joint-Secretary BZ Sayeed, in his letter to the government pleader in the Bombay HC, stated that Vijaysinh Thorat and Snehal Jadhav will be special counsels and Vishal Kadam will assist them.

In Kharif 2017-18, the State agriculture commissioner received complaints from cotton grower farmers that the crop on about 22 lakh hectare was destroyed by pink bollworm as the BT seeds provided by companies failed to resist the attack.

The Maharashtra Agriculture Department slapped a notice on the seed companies, imposing a fine of ₹1,200 crore as compensation to farmers. According to the government, about 20 lakh cotton farmers suffered losses. The seed companies had filed writ petitions in the Bombay High Court and obtained interim relief.

Farmer up in arms
Farmers in the State were agitated that the State government was not taking concrete steps to present the case in the court. Farmers’ organisation had alleged that the State government was going smooth on the seed companies.

The State government’s move to appoint special counsels comes against the backdrop of various farmers complaining this year about late germination of soya seeds while many farmers have complained of spurious seed supply.

Source: The Hindu Business Line, Wednesday, August 5, 2020
CM Ashok Gehlot had on Saturday written a letter to the PM requesting him to declare it a national disaster

It was the severity of the on-going locust incursions that prompted Rajasthan Chief Minister Ashok Gehlot to write a letter to Prime Minister Narendra Modi requesting him to declare it a national disaster, said experts on Tuesday.

In his letter to Modi, Gehlot said that farmers would suffer a loss of ₹1,000 crore even though timely warnings and joint locust control operations by the Centre and the State reduced the impact of the locust infestation.

The letter written on Saturday also urged the PM to declare the locust menace as a national disaster so that farmers can be compensated for the crop loss they have suffered. According to Gehlot, as much as 6.7 lakh hectares in the State have been affected by the locust infestation.

“When the locust attack happened last time — in 1993 — only 10-15 districts in the State were affected. Today, 32 out of the 33 districts in the State are impacted by the migratory pests,” said Suva Lal Jat, Joint Director (Plant Protection) at Rajasthan’s Agriculture Department.

Apart from Rajasthan, many other States including Haryana, Madhya Pradesh and Uttar Pradesh are facing the brunt of the locust invasion.

**Prolonged attacks**

According to Jat, normally, such locust incursions last only 4-5 months. This time, it not only started early but also is showing no signs of abating. Locusts raided agricultural fields in the State last year, too, and stayed on for nearly 8-9 months.

“This year, the locusts attacks started in early April, which is rather unusual. Normally, these pests come in only end-May or early June,” he said, adding that both breeding as well as emergence of nymphs are happening simultaneously currently.

Krishan Saharan, an assistant agriculture officer in Churu district in the State said there is a lull at present. But the population of locusts will multiply manyfold if the nymphs emerging from the local breeding sites are not dealt with effectively.

“Cotton fields in many villages in the district were destroyed by locusts in June, and at the same time, they did not raid the groundnut crop. The other two crops — bajra (pearl millet) and guar — weren’t planted then,” Saharan said.

Jat said he has never seen such severe locust attacks in the past. “Earlier, the area affected was limited to somewhere around 1 lakh hectares in the State. This time, it’s nearly six-fold.” As of now, locust control operations have covered 4.45 lakh hectares, he said.

*Source: The Hindu Business Line, Wednesday, August 5, 2020*

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Early signs of PBW infestation in Maharashtra’s cotton fields worry farmers, Agriculture Department

Cotton growers count PBW as one of the most dreaded pests for their crops. The worm completes its lifecycle in the crop and eats through the square (bud) flower and the lint of cotton. If not controlled early, PBW can wreak havoc in the cotton crop.

Early signs of pink bollworm (PBW) infestation in Maharashtra’s cotton fields has raised an alarm for farmers and the Agriculture Department. The infestation, which was reported in 51 villages, has been mainly in fields which saw sowing before the first week of June.

Cotton growers count PBW as one of the most dreaded pests for their crops. The worm completes its lifecycle in the crop and eats through the square (bud) flower and the lint of cotton. If not controlled early, PBW can wreak havoc in the cotton crop. In 2017-18, cotton growers in the state had reported losses due to repeated attacks by the worm in their fields.

The first sign of infestation was reported from villages in Telhara taluka of Akola district in Vidarbha region. D B Undirwade, a professor at Akola-based Punjabrao Deshmukh Krishi Vidyapeeth, said he noticed the infestation in multiple fields. “The crop in question was almost 45-50 days old, and was thus planted before the first week of June,” he said. Signs of infestation were seen in moths caught in pheromone traps (special contraptions with the female sex hormone to trap male moths). Deformed flowers, which are a clear mark of infestation, were also seen in the fields. Other than Akola, PBW infestation was reported from districts of Ahmednagar, Jalna and Amaravati.

Undirwade said dormant larvae of insects live in unopened bolls and other stalks of the old crop, and once the new crop is sown, the insect completes its lifecycle and lays eggs in the growing cotton crop. In case of early sowing, flowering and a square formation (bud) begin to form 45-50 days after sowing, allowing the newly emerged larvae to feed and grow.

N K Bhute, assistant entomologist from the Cotton Improvement Centre (CIC) of Mahatma Phule Krishi Vidyapeeth, said newly emerged larvae feed only on squares (buds) or flowers, and cannot feed on the leaf. In want of both, the larvae dies without causing any major damage to the crop.

However, in case of early cotton sowing, the completion of the lifecycle and emergence of the next generation overlap with the emergence of squares and flowers of the crop. “Thus, they tend to get enough matter to start a new generation,” he said.

Bhute said villages in Nevasa and Shrirampur in Ahmednagar district have reported PBW infestation above the economic threshold limit or ETL, which is the measure of pest population per density at which pest control measures are initiated. In case of PBW, eight to ten moths are trapped in pheromone traps for three consecutive nights.

Farmers are advised to delay their sowing to avoid infestation, but in most cases – especially where irrigation is available – they tend to prepone their sowing. At present, chances of the pest spilling over to the crops sown late cannot be ruled out as well. “Farmers have to be extra vigilant to avoid a situation like that in 2017-18,” Undirwade said.

Maharashtra has reported 41.8 lakh hectares of cotton sowing this season, with farmers in Marathwada and Vidarbha mainly going for the fibre crop.

Dheeraj Kumar, Commissioner of Agriculture, said the department has pressed all of its ground staff into action to implement the standard operating protocol (SOP) to control the pest. “We will also ask the progressive farmers to help in controlling the infestation,” he said.

Source: The Indian Express, Wednesday, August 5, 2020

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Cargo volumes at State-owned major ports decline 18 per cent in April-July

Cargo volumes handled at India’s dozen state-owned major ports fell 18.06 per cent during April-July period to 193.38 million tonnes (mt) from 236.01 mt a year ago as the coronavirus-induced demand contraction continue to roil global trade.

With the exception of Mormugao Port Trust, the remaining 11 major ports reported volume declines in the April-July period compared to the same period last year, with Kamarajar Port Ltd posting the steepest fall of 35.64 per cent, according to the Shipping Ministry.

Kamarajar Port Ltd, India’s only state-owned port that is run as a company, handled 7 mt from the 10.87 mt last year.

Chennai Port Trust handled 11.08 mt in April-July FY21 from 16.43 mt last year, a drop of 32.53 per cent. The container volumes at Chennai dipped to 323,000 TEUs from 506,000 TEUs, a decline of about 36 per cent.

Cochin Port Trust handled 7.76 mt, 32.78 per cent lower than the 11.55 mt handled during the first four months of FY20. The container volumes at Cochin Port Trust declined about 17 per cent to 167,000 TEUs from 203,000 TEUs during the same period last year.

Jawaharlal Nehru Port Trust (JNPT), India’s biggest container port located near Mumbai, reported a 27.69 per cent drop in volumes to 16.94 mt from 23.43 mt. JNPT’s container volumes slipped to 1.192 million TEUs from 1.738 million TEUs a year earlier, a drop of about 30 per cent.

Syama Prasad Mookherjee Port Trust (formerly Kolkata Port Trust) reported a volume drop of 26.09 per cent to 16,050 mt from 21,717 mt.

Cargo traffic at Mumbai Port Trust fell 19.79 per cent to 15.858 mt from 19.771 mt. Deendayal Port Trust, India’s biggest state-owed port by volumes handled, reported a 16.78 per cent decline in volumes to 34.11 mt from 40.99 mt.

Visakhapatnam Port Trust reported a 11.26 per cent decline in volumes to 21.034 mt from 23.704 mt. Cargo volumes handled by V O Chidambaranar Port Trust dropped 9.74 per cent to 10.57 mt from 11.71 mt. Paradip Port Trust handled 34.64 mt, a drop of 9.07 per cent over the 38.09 mt handled last year.

New Mangalore Port Trust reported a 4.60 per cent decline, handling volume of 11.56 mt from 12.12 mt. Mormugao Port Trust handled 6.76 mt from 5.61 mt, a growth of 20.44 per cent. All the commodities except iron ore including pellets and raw fertilisers reported a decline in volumes.

Crude oil, petroleum products, LPG and LNG declined 17.75 per cent to 63.66 mt, other liquids by 19.43 per cent to 7.98 mt, thermal and steam coal by 29.95 per cent to 23.19 mt, coking coal and others by 32.26 per cent to 13.51 mt and containers by 28 per cent (in twenty foot equivalent unit or TEU terms) to 2.49 million TEUs from 3.46 million TEUs.

Iron ore including pellets posted a growth of 24.27 per cent to 21.690 mt.

Source: The Hindu Business Line, Wednesday, August 5, 2020
Economy bouncing back with exports, power consumption recovering, says Goyal

“Our exports have almost reached last year’s July level with 90 per cent of our exports of July 2019 having come back”

The Indian economy is showing signs of a bounce-back from the Covid-19 related disruptions with goods exports in July 2020 reaching about 90 per cent of that in July last year, Commerce & Industry Minister Piyush Goyal has said.

Power consumption too, is back to near normal, with the latest figures only a marginal 2-3 per cent lower than the comparable period in the previous year, the Minister said at the launch of the United Nations Industrial Development Report 2020 on Tuesday.

“Our exports have almost reached last year’s July level with 90 per cent of our exports of July 2019 having come back. If we were to remove oil related exports, where we are largely only a small value adder, importing crude oil, processing and exporting we are 95 per cent-plus on the revival of our exports," he added.

India’s exports contracted for the fourth straight month in July 2019, with shipments falling by 12.41 per cent to $ 21.91 billion due to fall in top export items such as petroleum, textiles, engineering goods, and gems and jewellery items.

The Minister’s comment indicates that export figures for July 2020, which will be officially announced mid-August, will also post a fall vis-a-vis last year, but the decline will be lower than that experienced in the previous months.

Goyal said that the country today was in a mood to not only bring back economic activity but also become self reliant, improve quality of its products, bring about competitive pricing of the products, building economies of scale and compete with rest of the world on equal and fair terms. “... that will make Indian products not only a fair proposition but preferred proposition,” he said.

Source: The Hindu Business Line, Wednesday, August 5, 2020

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PSUs struggle to meet FM Nirmala Sitharaman’s target for capital-spend
This delayed floating of tenders, addressing technical specification issues, transportation of equipment and travel of technical experts.

August 5, 2020 7:50 AM

Finance minister Nirmala Sitharaman wants large and relatively cash-rich central public sector enterprises (CPSEs) to accelerate their capital spending and achieve 50% of the annual capex targets for the current financial year, in the first half itself. The idea is to soften the blow to the economy from the sharp drop in private investments and slashing of capital expenditures by revenue-starved states.

But early indications of Q1 capex performance by the most significant CPSEs in the energy sector indicates they are too struggling to emerge from torpor caused by the lockdown. Among them, a dozen CPSEs in the oil-and-gas sector achieved only 13% of their FY21 capex target in Q1, compared with 17% of the respective target in the year ago quarter.

CPSEs in other sectors are also facing difficulties in executing projects due to Covid-19.

This delayed floating of tenders, addressing technical specification issues, transportation of equipment and travel of technical experts.

Arranging finances was also an issue for some CPSEs including Airports Authority of India (AAI).

In Q1FY21, petroleum CPSEs together achieved capex of Rs 12,900 crore, against their annual target of Rs 98,522 crore. Their capital spending in the year ago quarter was higher at Rs 16,137 crore, against an annual target of Rs 93,639 crore (see chart).

Coal India, which has lined up Rs 10,000 crore capex plan for FY21, could achieve only 8.4% of that in Q1 as execution of some projects were delayed due to Covid, a company official said. In Q1FY21, GAIL, a CPSE player in natural gas transmission, has achieved only Rs 401 crore capex or 7.4% of its FY21 target of Rs 5,412 crore compared with 9.2% of respective target in the year ago quarter. “Due to selective lockdown in various states and monsoon season, mobilisation of labour & equipments is a challenge,” a GAIL official said.

AAI, which has plans to invest Rs 5,026 crore in airport infrastructure, is facing liquidity issues as it had plans to fund 60% of investments from internal revenue accruals. With low footfalls in airports due to virtual grounding of international operations and limited domestic operations, AAI’s revenue generation plans have gone awry, sources said.

Sitharaman on July 23 asked select seven CPSEs in aviation, railways and steel to accelerate spending to achieve 50% of their FY21 capex target by the end of September quarter (Q2) to help in the revival of economic activity. These PSUs had achieved only 14% of annual capex target in Q1.

According to official sources, some 250 CPSEs (including departmental undertakings) among themselves spent just 7% of their annual target in Q1FY21, compared with the trend of spending 15% of annual target or thereabouts in the first quarter. Over 70% of the capex materialises in the second half of the financial year.

The CPSEs, under government prodding, have set a target to invest about Rs 4.5 lakh crore from their internal accruals and borrowings in FY21; the target itself was lower than the estimated Rs 5 lakh crore (revised estimate) for FY20RE. In fact, the actual capex achievement by CPSEs in FY20 is believed to be a little lower than the RE, as the economic slowdown accentuated in the second half of last fiscal.
As reported by FE earlier, while revenue constraints led to a slowing of capital expenditure by state governments in FY20, the CPSEs owned by it largely held the fort, preventing public expenditure from losing its share in the gross domestic product (GDP). The combined capital expenditure by the CPSEs with annual capex budgets above Rs 500 crore turned out to be Rs 4.41 lakh crore in FY20. This was 90% of the Rs 4.9-lakh-crore target for the year and 1.1% higher than the capital spending by these entities in the previous year.

With a nearly 40% share, CPSEs have in recent years been the main pillar of public capex and have largely kept pace, even as the other two segments — central budget (25%) and states (35%) faltered.

Source: Financial Express, Wednesday, August 5, 2020

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Worst seems to be over for India, now farm sector will wipe out some pain: FinMin report

With India unlocking, the worst seems to be over as high-frequency indicators show an improvement from the unprecedented trough the economy had hit in April 2020.

Aug 04, 2020 3:33 PM

After Prime Minister Narendra Modi announced a nationwide lockdown to arrest the spread of coronavirus, India’s economy trembled in the month of April. While the businesses and industries came to a standstill, the economy struggled for revenue sources. However, the worst may now be over for India and the road ahead will take the economy back on the track. “With India unlocking, the worst seems to be over as high-frequency indicators show an improvement from the unprecedented trough the economy had hit in April 2020,” said the monthly macroeconomic report by the Department of Economic Affairs.

Indicators such as Index of Industrial Production (IIP), Purchasing Managers Index (PMI), power generation, production of steel and cement, railway freight, traffic at major ports, air cargo and passenger traffic, e-way bill generation capturing the inter-state movement of goods, consumption of petroleum products, and motor vehicle registration, have shown improvements, the report added. However, risks on account of rising COVID-19 cases and intermittent state lockdowns remain, the report further said. The future economic recovery of India is believed to be crucially linked to how the COVID-19 infection curve evolves across the states.

As businesses still have a long time to recover, the baton of economic recovery is in the hands of the agriculture sector, which contributes about 15 per cent of total gross value added. With the forecast of a normal monsoon at 102 per cent of the long-period average (LPA), the centre said that the agriculture is set to cushion the shock of COVID pandemic on the Indian economy in 2020-21.

The report underlined that the agricultural outlook improving and the recent landmark reforms announced in the sector are well-timed. The Modi government recently deregulised and liberalised the agricultural sector in India. “The reforms were extremely important given that agriculture, despite being the country’s largest private-sector enterprise in terms of employing more than half the workforce, is contributing only 15 per cent to India’s GVA,” the report said.

These reforms will go a long way in building efficient value chains, providing remunerative prices to farmers, and enabling the creation of a dynamic and vibrant agricultural sector in India, it added. The government’s recent reforms gave farmers the freedom to decide when, where, to whom and at what price to sell.

Source: Financial Express, Wednesday, August 5, 2020

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## FOREIGN EXCHANGE RATES – Tuesday, August 4, 2020

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*Source: The Hindu Business Line, Wednesday, August 5, 2020*

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